

BEFORE THE TAX COMMISSION OF THE STATE OF IDAHO

In the Matter of the Protest of)	
)	DOCKET NO. 20125
[Redacted],)	
)	DECISION
Petitioner.)	
_____)	

On February 8, 2007, the staff of the Income Tax Audit Bureau of the Idaho State Tax Commission issued a Notice of Deficiency Determination to [Redacted] (taxpayer) proposing additional income tax and interest for the taxable year 2003 in the total amount of \$830.

On April 11, 2007, the taxpayer filed a timely appeal and petition for redetermination. The taxpayer did not respond to the Tax Commission's hearing rights letter and has not provided anything further for the Tax Commission to consider. The Tax Commission, having reviewed the file, hereby issues its decision.

The taxpayer timely filed a 2003 Form 40EZ, Idaho resident short-form income tax return. [Redacted] The Bureau sent the taxpayer a letter asking him to explain why his federal taxable income was different from his Idaho taxable income. The taxpayer did not respond. Because the taxpayer filed a Form 40EZ, the Bureau determined the taxpayer should have reported all his income to Idaho. (See Idaho Code section 63-3002.) [Redacted]

The Bureau sent the taxpayer a Notice of Deficiency Determination which was protested by the taxpayer's mother on his behalf. The taxpayer's mother stated he worked part of the year in [Redacted] and that they were attempting to get the taxpayer's employment information from his [Redacted] employer. She stated that the taxpayer lived in Idaho for two or three months and then moved back to [Redacted]. She stated that the taxpayer filed both Idaho and [Redacted] income tax returns and that since May of 2004 the taxpayer has been a full-time student in [Redacted].

The Bureau asked the taxpayer to provide additional information about his resident status and to provide a copy of his [Redacted] income tax return. The taxpayer failed to provide anything and made the inference that he was too busy with his studies to deal with the matter. Therefore, the Bureau referred the matter for administrative review.

The Tax Commission sent the taxpayer a letter that discussed the methods available for redetermining a protested Notice of Deficiency Determination. The taxpayer did not respond to the Tax Commission's initial letter or its follow-up letter. Therefore, the Tax Commission decided the matter based upon the information available.

Idaho Code section 63-3002 states that the Idaho Income Tax Act is to be identical to the Federal Internal Revenue Code relating to the measurement of taxable income. Therefore, Idaho taxable income shall be the identical sum reported to the Internal Revenue Service subject to modifications contained in the Idaho law. This code section also states it is the intent of the Act to impose a tax on residents of Idaho measured by Idaho taxable income wherever derived.

The taxpayer filed a Form 40EZ, Idaho resident short-form income tax return. The presumption, when this type of income tax form is filed, is that the taxpayer is a full-year resident of or domiciled in Idaho. Therefore, as stated in Idaho Code section 63-3002, an individual filing this type of income tax return should be reporting his income from all sources. The taxpayer did not do this. He reported only the income he earned in Idaho.

According to the taxpayer, and/or his mother, the taxpayer worked part of 2003 in [Redacted]. It was also stated that the taxpayer filed a [Redacted] income tax return for 2003. When asked to provide a copy of the [Redacted] return, the taxpayer failed to produce any record of the return.

As a resident of Idaho, the taxpayer should have reported all his earnings on his 2003 Idaho income tax return. He then could have claimed a credit for taxes paid to [Redacted] to offset any tax paid to [Redacted]. The Bureau's adjustment added the income the taxpayer claimed he earned in [Redacted] but did not allow a credit for taxes paid to [Redacted] because there was no evidence the taxpayer paid any [Redacted] tax.

In Idaho, it is well established that a Tax Commission deficiency notice is presumed to be correct and the taxpayer bears the burden of showing that the deficiency is in error. Parsons v. Idaho State Tax Commission, 110 Idaho 572, 574-575 n.2, 716 P.2d 1344, 1346-1347 n.2 (Ct. App. 1986). The taxpayer has done nothing to overcome this burden. Since the taxpayer has not met his burden, the Tax Commission upholds the Bureau's determination.

The Bureau added interest to the taxpayer's Idaho tax. The Tax Commission reviewed the addition and found it appropriate and in accordance with Idaho Code section 63-3045.

WHEREFORE, the Notice of Deficiency Determination dated February 8, 2007, is hereby APPROVED, AFFIRMED, and MADE FINAL.

IT IS ORDERED and THIS DOES ORDER that the taxpayer pay the following tax and interest:

<u>YEAR</u>	<u>TAX</u>	<u>INTEREST</u>	<u>TOTAL</u>
2003	\$ 700	\$ 183	\$ 883

Interest is computed to June 1, 2008.

DEMAND for immediate payment of the foregoing amount is hereby made and given.

An explanation of the petitioner's right to appeal this decision is enclosed.

DATED this _____ day of _____, 2008.

IDAHO STATE TAX COMMISSION

COMMISSIONER

CERTIFICATE OF SERVICE

I hereby certify that on this _____ day of _____, 2008, a copy of the within and foregoing DECISION was served by sending the same by United States mail, postage prepaid, in an envelope addressed to:

[Redacted]

Receipt No.